

**Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201**

Department of the Treasury

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LEGEND

UIL 4945.04-04

B= program
C= state
D= counties
E= state
F= counties
G= city
H= library

Dear

We have considered your request for advance approval of your grant-making program under section 4945(g)(3) of the Internal Revenue Code, dated December 4, 2009.

Our records indicate that you were recognized as exempt from federal income tax under section 501(c)(3) of the Code and that you are classified as an exempt operating foundation under IRC 4940(d).

You will offer grant making programs under section 4945(g)(3) called the B.

The B will provide funds to cover costs of travel and living expenses for grantees to use the library's collections, which otherwise may not have been accessible to them, as resources for their research in the areas of science, engineering and technology.

The applicant pool will consist of:

- a) Doctoral candidates and post-doctoral researchers whose areas of academic interest include science, engineering and technology; and
- b) Doctoral candidates and post-doctoral researchers whose areas of academic interest include the intersection of science and the humanities, science and the law, and/or science and the arts.

Individuals residing in the C counties of E and the E counties of F will not be eligible to apply for the grant as it is designed for individuals residing outside of

the C metropolitan area so they can travel to and use the library's collections for their research.

Each applicant will be asked to submit the following for the application:

- a) A cover sheet with his or her name, mailing address, telephone and fax numbers, e-mail address, present rank and institution currently attending, and the date he or she expects to receive his or her PhD (if he or she is a doctoral candidate);
- b) A curriculum vitae (not to exceed three pages);
- c) A summary description of the research project he or she intends to pursue while at the library (not to exceed five pages);
- d) An estimate of the length of time he or she anticipates spending at the library or a statement expressing interest in a defined residency period;
- e) A budget for his or her research project;
- f) Three letters of recommendation; and
- g) A history of fellowships and grants received within the last five years.

To be selected, the applicant must show:

- a) The connection and importance of the library's collections to his or her proposed research project;
- b) The intellectual, historic and/or scientific significance of his or her proposed research project; and
- c) His or her ability to complete his or her proposed research project.

The selection committee will consist of scholars familiar with the library and its collections, the Librarian for the History of Science and the Director of the H.

No member of the selection committee may apply for the grant. Furthermore, in the event any immediate family member of a selection committee member applies for the grant or a selection committee member is participating in a proposed research project, he or she must excuse himself or herself from the deliberation of the selection committee with respect to that application

Each application will be evaluated based upon the following metrics:

- a) The connection and importance of the library's collections to the proposed research project;
- b) The intellectual, historic, and/or scientific significance of the proposed research project; and
- c) The estimated length of time the applicant anticipates spending at the library to complete his or her proposed research project.

Namely, the members of the selection committee will individually review each application and rate it on each metric using a scoring scale of one through five. The scores for each application will then be totaled, and a certain number of applicants with the highest totaled scores will be awarded grants. You will award up to 12 grants in any given year.

After the grantee has completed his or her residency at the library, he or she will be required to submit the following:

- a) A report which describes how he or she expended his or her grant money and how his or her expenditure of such money was consistent with the

budget submitted with their application or the pre-set grant amount , as the case may be; and

- b) A report which describes his or her research experience at the library and the extent to which his or her use of the library's collection met his or her research expectations.

Additionally, the grantee will be required to give one public lecture or presentation on his or her research project.

At least one member of the library's staff will be responsible for reviewing the reports required upon the completion of B and determining whether the grantee's expenditure of his or her grant money was consistent with the grant's purpose.

If, in the determination of such staff member, a report indicates that a grantee did not use his or her grant money in a manner that was consistent with the grant's purpose, or if a report is not submitted within a reasonable period of time after it is due, you will open an investigation. If after the investigation is concluded you determine that the grant money was improperly used, you will inform the grantee of such determination, advise him or her to return such money and take all other reasonable and appropriate steps to recover such money (including legal action).

Furthermore, you will withhold all future disbursements, if any, to the grantee until you have received his or her assurance that such disbursements will not be improperly used and required him or her to take extraordinary precaution to prevent future improper uses from occurring. Additionally, if the grantee has improperly used fellowship money in the past, you will continue to withhold future disbursements until you have recovered such money.

There are no renewal procedures for the grants. Grantees may reapply for B by submitting a new application to be evaluated on the same metrics with the same scoring scale. For a grantee who wishes to obtain another grant, he or she will have to wait one year before applying.

You have agreed to retain all of the following records:

- a) All of the information you have used in evaluating a grantee's application;
- b) The grantee's personal identification information, including any relationship he or she has with you which may indicate that he or she is a disqualified person;
- c) The amount of the grant and a description of the research project for which it was granted; and
- d) The information which you learned from any investigation into use of funds.

Sections 4945(a) and (b) of the Code impose certain excise taxes on "taxable expenditures" made by a private foundation.

Section 4945(d)(3) of the Code provides that the term "taxable expenditure" means any amount paid or incurred by a private foundation as a grant to an

individual for travel, study, or other similar purposes by such individual, unless such grant satisfies the requirements of subsection (g).

Section 4945(g) of the Code provides that section 4945(d)(3) shall not apply to individual grants awarded on an objective and nondiscriminatory basis pursuant to a procedure approved in advance if it is demonstrated that:

- (1) The grant constitutes a scholarship or fellowship grant which is subject to the provisions of section 117(a) and is to be used for study at an educational organization described in section 170(b)(1)(A)(ii);
- (2) The grant constitutes a prize or award which is subject to the provisions of section 74(b), if the recipient of such prize or award is selected from the general public, or
- (3) The purpose of the grant is to achieve a specific objective, produce a report or similar product, or improve or enhance a literary, artistic, musical, scientific, teaching, or other similar capacity, skill, or talent of the grantee.

Section 53.4945-4(c)(1) of the Regulations provides that to secure approval, a private foundation must demonstrate that:

- (i) Its grant procedure includes an objective and nondiscriminatory selection process;
- (ii) Such procedure is reasonably calculated to result in performance by grantees of the activities that the grants are intended to finance; and
- (iii) The foundation plans to obtain reports to determine whether the grantees performed activities that the grants are intended to finance.

Based on the information submitted and assuming your award programs will be conducted as proposed with a view to provide objectivity and nondiscrimination in making the awards, we have determined that your procedures for granting the awards comply with the requirements contained in section 4945(g) of the Code and that awards granted in accordance with such procedures will not constitute "taxable expenditures" within the meaning of section 4945(d)(3).

In addition, we have determined that awards made under your procedures are 'scholarship or fellowship' grants within the meaning of sections 4945(g)(1) and 117 of the Code, and are excludable from the gross income of the recipients subject to the limitations provided in section 117(b) of the Code, including to the extent that such grants are used for qualified tuition and related expenses within the meaning of section 117(b)(2) of the Code.

This determination is conditioned on the understanding that there will be no material change in the facts upon which it is based. It is further conditioned on the premise that no grants will be awarded to foundation managers, or members of the selection committee, or for a purpose that is inconsistent with the purpose described in section 170(c)(2)(B) of the Code.

The approval of your award program procedures herein constitutes a one-time approval of your system standards and procedures designed to result in awards which meet the requirements of section 4945(g)(3) of the Code. This determination only covers the grant programs described above. Thus, approval shall apply to subsequent award programs only as long as the standards and procedures under which they are conducted do not differ materially from those described in your request.

Any funds you distribute to individuals must be made on a true charitable basis in furtherance of the purposes for which you are organized. Therefore, you should maintain adequate records and case histories so that any or all award distributions can be substantiated upon request by the Internal Revenue Service.

This determination is directed only to the organization that requested it. Section 6110(j)(3) of the Code provides that it may not be used or cited as a precedent.

You must report any future changes in your grant making procedures. Please keep a copy of this letter in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Lois Lerner
Director, Exempt Organizations

Enclosure: Notice 437
A redacted copy of this letter